



MISSOURI DEPARTMENT OF CONSERVATION

TWO YEARS ENDED JUNE 30, 1998

**From The Office Of State Auditor
Claire McCaskill**

Report No. 99-24
April 15, 1999

AUDIT REPORT



Office Of The
State Auditor Of Missouri
Claire McCaskill

The following problems were discovered in Missouri's Department of Conservation as a result of an audit conducted by our office. During our audit, we identified certain management practices which we believe could be improved.

The Department of Conservation maintains a fleet of three planes and one helicopter. The department's flight logs indicate the pilot, a general purpose category, total flying time, the name of a passenger or observer, and miscellaneous remarks such as route taken. **However, as noted in our last four reports, the flight logs do not list the names of all passengers. As a result, the department cannot be assured all passengers on the plane are either department personnel or approved non-department personnel. In addition, the public cannot determine whether or not the purpose of the flight was appropriate.**

Pilots complete a flight manifest for each flight which lists each passenger; however, for some unexplained reason, this report is destroyed after the flight is completed. The department indicated that maintaining documentation of the names of all passengers is not necessary and that the current procedures are adequate since it has several internal levels of review to ensure the planes and helicopter are used only for official purposes.

In response to this audit, the Department of Conservation has only agreed to review their travel policies, and has declined to permanently adopt our recommendations at this time. Since the failure to document passengers on aircraft, paid for with tax dollars, has been pointed out to the department in audits conducted in 1990, 1992, 1994, 1996 and now 1998, a period spanning more than a decade, we will follow up with another audit of the department on this issue within the next 12 months to see whether or not they permanently adopt our recommendations.

Furthermore, the department requires employees to compare the cost of commercial flights to the cost of using department planes. Department employees have indicated that this comparison is now documented and maintained for most out of state flights. However, during our review, we noted several flights to out of state destinations for which documentation of the cost comparison could not be located. Failure to obtain cost comparisons may result in the department paying more than necessary.

For example, the department periodically charts flights rather than using department planes. During our review, we noted that in August 1996, two Conservation Commissioners flew a charter flight from St. Joseph, Missouri to Boise, Idaho at a approximate cost to the department of \$9,600. Cost comparisons for this flight were not documented. While the commercial rate of this flight in 1996 was not available, the Office of Administration Flight Operations indicated its rate would have cost approximately \$5,500. The department now says it will implement cost comparisons.

Another concern regarding fiscal accountability is raised in regard to the Department of Conservation's Clothing Allowance Reimbursement. Last year the department provided \$100 for signature clothing on a reimbursement only basis to employees who were not required to wear uniforms. This year they have decided to give everyone \$100 and require no documentation that clothing was purchased. These payments totaled \$39,200 for the period July 1, 1998 through November 30, 1998.

If the department believes it is necessary and beneficial to provide signature clothing that employees may wear only occasionally, the employees should be required to purchase signature clothing with the clothing allowance, wear the clothing at designated events, and provide documentation to support such purchases.

It is essential that departments which receive earmarked taxes remain as vigilant, as all other departments of government that receive their funding through general revenue, in demonstrating to the public that tax dollars are being spent appropriately.

MISSOURI DEPARTMENT OF CONSERVATION

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FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON
THE FINANCIAL STATEMENTS**

Honorable Mel Carnahan, Governor
and
Conservation Commission
and
Jerry Conley, Director
Missouri Department of Conservation
Jefferson City, Missouri 65102

We have audited the accompanying special-purpose financial statements of the Conservation Commission Fund of the Missouri Department of Conservation as of and for the years ended June 30, 1998 and 1997, as identified in the table of contents. These special-purpose financial statements are the responsibility of the department's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

Except as discussed in the fourth paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, other financing uses, and changes in cash and investments and the appropriations and expenditures of the Conservation Commission Fund of the Missouri Department of Conservation and are not intended to be a complete presentation of the financial position and results of operations of the department.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Missouri Department of Conservation has included such disclosures in Note 5. Because of the unprecedented

nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Missouri Department of Conservation's disclosures with respect to the year 2000 issue made in Note 5. Further, we do not provide assurance that the Missouri Department of Conservation is or will be year 2000 ready, that the Missouri Department of Conservation's remediation efforts will be successful in whole or in part, or that parties with which the Missouri Department of Conservation does business will be year 2000 ready.

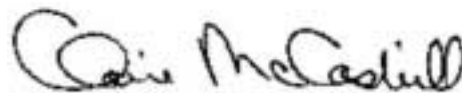
In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, other financing uses, and changes in cash and investments and the appropriations and expenditures of the Conservation Commission Fund of the Missouri Department of Conservation as of and for the years ended June 30, 1998 and 1997, in conformity with the comprehensive bases of accounting discussed in Note 1, which are bases of accounting other than generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we also have issued our report dated November 5, 1998, on our consideration of the department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was made for the purpose of forming an opinion on the special-purpose financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying financial information listed as supplementary data in the table of contents is presented for purposes of additional analysis. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the department's management and was not subjected to the auditing procedures applied in the audit of the special-purpose financial statements referred to above.

An integral part of the department's funding comes from federal awards. Those federal awards are reported on in the State of Missouri Single Audit Report issued by the State Auditor's office. The single audit is conducted in accordance with the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

A handwritten signature in black ink, appearing to read "Claire McCaskill".

Claire McCaskill
State Auditor

November 5, 1998 (fieldwork completion date)



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING**

Honorable Mel Carnahan, Governor
and
Conservation Commission
and
Jerry Conley, Director
Missouri Department of Conservation
Jefferson City, Missouri 65102

We have audited the special-purpose financial statements of the Missouri Department of Conservation as of and for the years ended June 30, 1998 and 1997, and have issued our report thereon dated November 5, 1998. That report expressed a qualified opinion on the special-purpose financial statements. Except as discussed in that report, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

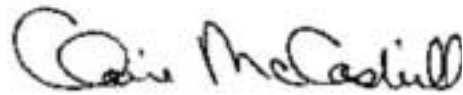
As part of obtaining reasonable assurance about whether the special-purpose financial statements of the Missouri Department of Conservation are free of material misstatement, we performed tests of the department's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no material instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an instance of other noncompliance which is presented in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of the Missouri Department of Conservation, we considered the department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over

financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the management of the Missouri Department of Conservation and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in dark ink, appearing to read "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

November 5, 1998 (fieldwork completion date)

Financial Statements

Exhibit A
MISSOURI DEPARTMENT OF CONSERVATION
CONSERVATION COMMISSION FUND
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, OTHER FINANCING
USES, AND CHANGES IN CASH AND INVESTMENTS

	Year Ended June 30,	
	1998	1997
RECEIPTS		
Sales and use tax	\$ 78,385,982	75,372,031
Permit sales	19,831,777	27,136,008
Sales, rentals, and leases	5,981,168	5,616,967
Federal reimbursements	17,588,840	11,518,329
Interest	875,167	1,490,728
Donations, refunds, and miscellaneous	2,436,566	1,387,168
Total Receipts	125,099,500	122,521,231
DISBURSEMENTS		
Personal service	52,897,887	49,669,140
Employee fringe benefits	13,093,075	12,201,106
Operations	37,437,058	45,386,120
Capital improvements and acquisitions	28,118,931	21,984,445
Total Disbursements	131,546,951	129,240,811
RECEIPTS OVER (UNDER) DISBURSEMENTS BEFORE OTHER FINANCING USES	-6,447,451	-6,719,580
OTHER FINANCING USES		
Appropriations exercised by other state agencies (Note 4)	-1,002,438	-854,209
RECEIPTS OVER (UNDER) DISBURSEMENTS AND OTHER USES	-7,449,889	-7,573,789
CASH AND INVESTMENTS, JULY 1	21,947,916	29,521,705
CASH AND INVESTMENTS, JUNE 30	\$ 14,498,027	21,947,916

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

MISSOURI DEPARTMENT OF CONSERVATION

COMPARATIVE STATEMENT OF APPROPRIATIONS AND EXPENDITURES

	Year Ended June 30,					
	1998			1997		
	Appropriations	Expenditures	Lapsed Balances	Appropriations	Expenditures	Lapsed Balances
Personal service and expense and equipment including refunds; and for payments to counties for the unimproved value of the land in lieu of property taxes for privately owned lands acquired by the Conservation Commission after July 1, 1977 and for lands classified as forest croplands	111,328,095	89,596,427	21,731,668	102,072,285	99,544,031	2,528,254
Stream access acquisition and development, lake site acquisition and development, land acquisition for upland wildlife and state forests, land purchases for wildlife and natural areas; major improvements and repairs (including materials, supplies and labor) to buildings, roads, hatcheries, and other departmental structures; and for soil conservation activities and erosion control on departmental land	50,000,000	17,537,080	32,462,920	36,122,159	32,925,237	3,196,922
Total	\$ 161,328,095	107,133,507	54,194,588	138,194,444	132,469,268	5,725,176

The accompanying Notes to the Financial Statements are an integral part of this statement.

Supplementary Data

Schedule 1

MISSOURI DEPARTMENT OF CONSERVATION
COMPARATIVE STATEMENT OF EXPENDITURES (FROM APPROPRIATIONS)

	Year Ended June 30,				
	1998	1997	1996	1995	1994
PERSONAL SERVICE OPERATIONS	\$ 56,046,285	53,028,331	49,076,148	46,497,078	44,032,505
Travel and vehicle expense:					
In-state travel	1,778,085	2,177,659	2,016,192	1,703,774	1,500,083
Operating and maintenance supplies - transportation vehicles	2,029,379	2,271,988	2,183,466	1,871,233	1,591,437
Other	1,074,019	1,222,614	1,246,093	1,272,272	1,319,035
Transportation equipment purchase	1,319,114	5,765,702	4,307,353	4,060,108	3,183,985
Office expense:					
Printing and binding	1,445,254	2,401,789	1,966,789	2,031,175	1,953,761
Printing and photography supplies	1,038,119	1,035,680	989,799	923,082	845,728
Other	859,035	1,163,823	990,360	890,626	891,516
Office and communication equipment purchase	232,881	520,398	361,051	331,629	429,843
Communication expense:					
Postage	1,299,098	1,440,460	1,429,598	1,246,743	1,116,361
Telephone	971,831	732,089	599,127	568,828	529,207
Other	94,790	44,481	26,398	47,317	25,273
Institution and physical plant:					
Electricity	854,480	883,477	761,058	722,978	690,440
Maintenance services - buildings and grounds	578,232	706,238	519,808	421,652	394,097
Other operating and maintenance supplies	876,323	985,184	600,322	317,995	202,965
Maintenance supplies - buildings and grounds	507,078	944,942	729,668	868,874	845,361
Agriculture supplies	1,541,867	2,126,937	1,599,348	1,428,432	1,425,854
Other technical and specialized supplies	859,225	1,630,738	1,126,167	836,900	683,919
Building and land rental	570,930	357,569	312,460	287,169	263,987
Clothing and uniform allowance	669,368	361,034	359,588	348,928	367,731
Other mechanical equipment maintenance and repair	342,249	412,322	383,267	449,306	403,245
Other	608,970	906,145	895,736	768,386	757,645
Purchases	917,904	2,583,770	2,411,670	1,699,734	1,664,826
Data processing expense and equipment	2,881,500	4,478,512	4,777,873	1,713,664	1,789,096
Professional services	5,794,385	6,207,703	4,680,220	3,480,610	2,921,354
Payments in lieu of taxes	945,358	934,888	924,798	903,019	877,978
Other expense	2,544,563	3,803,958	2,357,861	2,211,078	2,406,407
Total Operations	32,634,037	46,100,100	38,556,070	31,405,512	29,081,134
CAPITAL IMPROVEMENTS					

Land acquisition	3,963,906	14,450,958	5,763,442	6,816,646	5,063,591
New building construction	8,258,900	6,605,924	1,089,397	3,136,196	3,200,332
Repairs and improvements	4,884,113	10,964,407	9,325,495	17,368,109	2,943,237
Professional services	<u>301,792</u>	<u>831,014</u>	<u>736,532</u>	<u>1,447,649</u>	<u>372,012</u>
Total Capital Improvements	<u>17,408,711</u>	<u>32,852,303</u>	<u>16,914,866</u>	<u>28,768,600</u>	<u>11,579,172</u>
CONSERVATION RESERVE PAYMENTS	<u>1,044,474</u>	<u>488,534</u>	<u>217,258</u>	<u>243,365</u>	<u>329,430</u>
Total Expenditures	<u>\$ 107,133,507</u>	<u>132,469,268</u>	<u>104,764,342</u>	<u>106,914,555</u>	<u>85,022,241</u>

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 2

MISSOURI DEPARTMENT OF CONSERVATION
STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
TWO YEARS ENDED JUNE 30, 1998

	Equipment	Buildings	Land	Construction in Progress	Total General Fixed Assets
BALANCE, June 30, 1996	\$ 53,441,789	47,866,416	254,492,500	1,555,774	357,356,479
Additions	10,521,682	2,058,166	15,159,489	2,861,781	30,601,118
Dispositions	3,650,302	319,345	192,937	1,371,545	5,534,129
BALANCE, June 30, 1997	60,313,169	49,605,237	269,459,052	3,046,010	382,423,468
Additions	4,478,254	1,216,335	19,543,949	9,578,838	34,817,376
Dispositions	3,687,415	477,271	522,877	1,068,998	5,756,561
BALANCE, June 30, 1998	\$ 61,104,008	50,344,301	288,480,124	11,555,850	411,484,283

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Schedule 3-A

MISSOURI DEPARTMENT OF CONSERVATION
STATEMENT OF CHANGES IN LAND BY COUNTY
YEAR ENDED JUNE 30, 1998

County	Balance, June 30, 1997		Corrections (Note 7)		Acquisitions		Dispositions		Balance, June 30, 1998	
	Total Cost	Number o Acres	Total Cost	Number of Acres	Total Cost	Number of Acres	Total Cost	Number o Acres	Total Cost	Number of Acres
Adair	\$ 1374054	6696	\$ 0	0	\$ 32745.11	158	\$ 55472	436	\$ 1351327.1	6418
Andrew	3670787	5652.51	0	0	115843	155	0	0	3786630	5807.51
Atchison	1113104	3401	0	0	5	0	0	0	1113109	3401
Audrain	564943	2001	0	0	0	0	0	0	564943	2001
Barry	1131470	4151	0	0	0	0	0	0	1131470	4151
Barton	4244169	7152	0	0	65012	96.4	0	0	4309181	7248.4
Bates	4605054	5810	0	0	0	0	0	0	4605054	5810
Benton	1370550	4055	0	0	192534	281	0	0	1563084	4336
Bollinger	2357799	13373.1	0	0	5309	0	0	0	2363108	13373.1
Boone	7529131.2	9496.83	0	0	446190	54	0	0	7975321.2	9550.83
Buchanan	2584498	3988	0	0	99732	82	1045	1	2683185	4069
Butler	6894758	12687	0	0	37775	38	0	0	6932533	12725
Caldwell	572224.42	1770.51	2217	6	66	0	2217	6	572290.42	1770.51
Callaway	3637546.8	6853.43	0	0	0	0	0	0	3637546.8	6853.43
Camden	1429823	2687	0	0	27774	8	0	0	1457597	2695
Cape Girardeau	1888997	3369	0	0	0	0	1825	1	1887172	3368
Carroll	2374385	4007	0	0	150	0	0	0	2374535	4007
Carter	284473	24370	0	0	0	0	0	0	284473	24370
Cass	3797161	5450	0	0	0	0	0	0	3797161	5450
Cedar	244889	865	0	0	0	0	0	0	244889	865
Chariton	378146	841.06	0	0	1171	0	0	0	379317	841.06
Christian	1522111	2935	0	0	6158	0	2162	4	1526107	2931
Clark	2452430	6364	0	0	0	0	0	0	2452430	6364
Clay	1708293	1555.5	0	0	87429	77	0	0	1795722	1632.5
Clinton	44811	25	0	0	0	0	0	0	44811	25
Cole	2429704.6	4782.11	0	0	99	0	0	0	2429803.6	4782.11
Cooper	3501637	5376	0	0	219466	345	218972	289	3502131	5432
Crawford	775255	10813.6	0	0	0	0	1	0	775254	10813.6
Dade	567026	1294	0	0	0	0	0	0	567026	1294
Dallas	2516359.3	8341.71	0	0	0	0	0	0	2516359.3	8341.71
Daviess	176136	933	0	0	0	0	0	0	176136	933
Dekalb	1991878	4168	0	0	0	0	0	0	1991878	4168
Dent	1458242	17514.61	0	0	90302	120	0	0	1548544	17634.61
Douglas	612926	2163	0	0	4686	0	0	0	617612	2163
Dunklin	3364925	6755	0	0	0	0	0	0	3364925	6755
Franklin	3553526	9741	0	0	1245	8	0	0	3554771	9749
Gasconade	564123	1504	0	0	0	0	0	0	564123	1504
Gentry	770978	2089	0	0	0	0	0	0	770978	2089
Greene	3489482	4080	0	0	0	0	1606	1	3487876	4079
Grundy	3735	3	0	0	0	0	0	0	3735	3
Harrison	1630523	4513	0	0	27977	54	0	0	1658500	4567
Henry	422763	2465	0	0	0	0	0	0	422763	2465
Hickory	505037	2177	0	0	269323	533	0	0	774360	2710
Holt	11212603	9660	0	0	311916	392	0	0	11524519	10052
Howard	5186703.8	7822.81	0	0	12	0	0	0	5186715.8	7822.81
Howell	1835959	7612	0	0	0	0	206	5	1835753	7607
Iron	950404	8599	0	0	44211	196	0	0	994615	8795
Jackson	5771256	4310	0	0	717555	34	0	0	6488811	4344
Jasper	9374	13	0	0	0	0	0	0	9374	13
Jefferson	2303627	2174	0	0	375	0	0	0	2304002	2174
Johnson	1784695	4454	0	0	0	0	0	0	1784695	4454
Knox	492013	1275	0	0	0	0	0	0	492013	1275
Laclede	123122	1670	0	0	1004	0	0	0	124126	1670
Lafayette	1403836.9	2319	0	0	21	0	0	0	1403857.9	2319
Lawrence	3922074	5045	0	0	0	0	0	0	3922074	5045
Lewis	1346232.2	7399.73	0	0	4497	11	1892	11	1348837.2	7399.73
Lincoln	3257421	5410.048	0	0	452	2	0	0	3257873	5412.048
Linn	2688293	6484	0	0	0	0	0	0	2688293	6484
Livingston	3406666	8048	0	0	2493	30	0	0	3409159	8048
McDonald	401171	3160	0	0	32249	80	0	0	433420	3240
Macon	1227387.8	4777.9	0	0	0	0	0	0	1227387.8	4777.9
Madison	1644186	2786.09	0	0	6210	0	0	0	1650396	2786.09
Maries	514786	2383	0	0	0	0	0	0	514786	2383
Marion	650862	1247	0	0	5	0	0	0	650867	1247
Mercer	741605	2265.8	0	0	1315	0	0	0	742920	2265.8
Miller	2206026	5416.34	0	0	0	0	0	0	2206026	5416.34
Mississippi	7322525.2	5292.37	0	0	6625	2	0	0	7329150.2	5294.37

Moniteau	2535888.3	3826.59	0	0	0	0	0	0	2535888.3	3826.59
Monroe	103759	277	0	0	0	0	0	0	103759	277
Montgomery	1189351	3751	0	0	5000	8	5998	4	1188353	3755
Morgan	1794919.2	2270.976	0	0	0	0	13893	40	1781026.2	2230.976
New Madrid	5535537	6315	0	0	0	0	0	0	5535537	6315
Newton	1724655	4105	0	0	2100	0	0	0	1726755	4105
Nodaway	2222047	5370	0	0	0	0	0	0	2222047	5370
Oregon	286261	504	0	0	8546	8	0	0	294807	512
Osage	1584997	3147	0	0	0	0	0	0	1584997	3147
Ozark	686658	8175	0	0	0	0	0	0	686658	8175
Pemiscot	1476990	2246	0	0	0	0	0	0	1476990	2246
Perry	672041	1728	0	0	990	0	0	0	673031	1728
Pettis	1161615	2223	0	0	0	0	0	0	1161615	2223
Phelps	678324	3085	0	0	1620	0	0	0	679944	3085
Pike	1531308	7111	0	0	9028	7	0	0	1540336	7118
Platte	4421868	3846.2	0	0	1376	13	0	0	4423244	3859.2
Polk	25279	1445	0	0	0	0	0	0	25279	1445
Pulaski	328194	464	0	0	0	0	91618	102	236576	362
Putnam	2347148	5127	0	0	0	0	0	0	2347148	5127
Ralls	100711	936	0	0	0	0	0	0	100711	936
Randolph	127357	2257	0	0	0	0	0	0	127357	2257
Ray	1868597	2167	0	0	0	0	0	0	1868597	2167
Reynolds	413684.15	37722.2	0	0	491	1	0	1	414175.15	37722.2
Ripley	1114124	8367.11	0	0	3240	0	0	0	1117364	8367.11
St. Charles	15214303	18596	0	0	149736	702	0	0	15364039	19298
St. Clair	1344838.8	7150.8	0	0	0	0	0	0	1344838.8	7150.8
St. Francois	497789	980	0	0	0	0	0	0	497789	980
Ste. Genevieve	982223.5	2088	0	0	0	0	2163	80	980060.5	2008
St. Louis	12649017	7260.78	500	0	10881287	4328	0	0	23530804	11588.78
Saline	9175140.3	8700	0	0	0	0	0	0	9175140.3	8700
Schuyler	506654	1129	0	0	0	0	0	0	506654	1129
Scotland	1541073	3751	0	0	31413	63	0	0	1572486	3814
Scott	1022799	1224	0	0	51612	70	0	0	1074411	1294
Shannon	10726183	136284	0	0	11004	129	1456	11	10735731	136402
Shelby	555804.8	2184	0	0	91841	80	90000	80	557645.8	2184
Stoddard	7272900	10566	0	0	0	0	0	0	7272900	10566
Stone	1506506.5	1622.05	0	0	6210	0	0	0	1512716.5	1622.05
Sullivan	3212554	9095	0	0	56643	291	26210	160	3242987	9226
Taney	2828153	5952	0	0	0	0	0	0	2828153	5952
Texas	2730183.5	13458.88	0	0	0	0	0	0	2730183.5	13458.88
Vernon	8966944.2	17904	0	0	5297515	6975	0	0	14264459	24879
Warren	1648210	7820	0	0	2100	0	0	0	1650310	7820
Washington	2359359.5	10627.81	0	0	63416	120	0	0	2422775.5	10747.81
Wayne	1559830	19935	0	0	0	0	8	2	1559822	19933
Webster	220299	1744	0	0	0	0	0	0	220299	1744
Worth	1696876	3173	0	0	0	0	0	0	1696876	3173
Wright	797407	1965	0	0	0	0	0	0	797407	1965
Total	\$ 269459052	747569.5	\$ 2717	6	\$ 19535099	15521.4	\$ 516744	1234	\$ 288480124	761862.9

The accompanying Notes to the Supplementary Data are an integral part of this statement.

MISSOURI DEPARTMENT OF CONSERVATION
STATEMENT OF CHANGES IN LAND BY COUNTY
YEAR ENDED JUNE 30, 1997

	Balance, June 30, 1996		Corrections (Note 7)		Acquisitions		Dispositions		Balance, June 30, 1997	
County	Total Cost	Number Acres	Total Cost	Number Acres	Total Cost	Number of Acres	Total Cost	Number of Acres	Total Cost	Number of Acres
Adair	\$ 1374054	6696	\$ 0	0	\$ 0	0	\$ 0	0	\$ 1374054	6696
Andrew	3405159	5265	0	0	265628	387.51	0	0	3670787	5652.51
Atchison	1113104	3401	0	0	0	0	0	0	1113104	3401
Audrain	564943	2001	0	0	0	0	0	0	564943	2001
Barry	1131470	4151	0	0	0	0	0	0	1131470	4151
Barton	4060299	6892	0	0	183870	260	0	0	4244169	7155
Bates	4605054	5810	0	0	0	0	0	0	4605054	5810
Benton	1370550	4055	0	0	0	0	0	0	1370550	4055
Bollinger	2163493	13467	0	0	210913.91	303.84	16608	397.74	2357798.98	13373.1
Boone	6937790	8924	0	0	592488.27	573.85	1147.1	1.02	7529131.22	9496.83
Buchanan	2584498	3988	0	0	0	0	0	0	2584498	3988
Butler	6894758	12687	0	0	0	0	0	0	6894758	12687
Caldwell	571975	1773	0	0	3182.75	3.23	2933.3	5.72	572224.42	1770.51
Callaway	3088575	6122	0	0	548971.75	731.43	0	0	3637546.75	6853.43
Camden	1429823	2687	0	0	0	0	0	0	1429823	2687
Cape Girardeau	1888997	3369	0	0	0	0	0	0	1888997	3369
Carroll	2374385	4007	0	0	0	0	0	0	2374385	4007
Carter	284473	24370	0	0	0	0	0	0	284473	24370
Cass	3797161	5450	0	0	0	0	0	0	3797161	5450
Cedar	244889	865	0	0	0	0	0	0	244889	865
Chariton	354107	807	0	0	24039	34.06	0	0	378146	841.06
Christian	1245752	2550	0	0	276359	385	0	0	1522111	2935
Clark	2452430	6364	0	0	0	0	0	0	2452430	6364
Clay	1592806	1374	0	0	115487	181.5	0	0	1708293	1555.5
Clinton	44811	25	0	0	0	0	0	0	44811	25
Cole	1731208	1845	-5750	-25	704246.56	2962.11	0	0	2429704.56	4782.11
Cooper	3501637	5376	0	0	0	0	0	0	3501637	5376
Crawford	805951	11012	0	0	1304	1.6	32000	200	775255	10813.6
Dade	566557	1373	0	0	38981	4	38512	83	567026	1294
Dallas	2035534	7487	0	0	480825.3	854.71	0	0	2516359.3	8341.71
Daviess	176136	933	0	0	0	0	0	0	176136	933
Dekalb	1991878	4168	0	0	0	0	0	0	1991878	4168
Dent	1299598	17113	0	0	158644	401.61	0	0	1458242	17514.61
Douglas	512926	1883	0	0	100000	280	0	0	612926	2163
Dunklin	3364925	6755	0	0	0	0	0	0	3364925	6755
Franklin	3553526	9741	0	0	0	0	0	0	3553526	9741
Gasconade	564123	1504	0	0	0	0	0	0	564123	1504
Gentry	770978	2089	0	0	0	0	0	0	770978	2089
Greene	3489482	4080	0	0	0	0	0	0	3489482	4080
Grundy	3735	3	0	0	0	0	0	0	3735	3
Harrison	1582437	4393	0	0	48086	120	0	0	1630523	4513
Henry	422763	2465	0	0	0	0	0	0	422763	2465
::										
Hickory	505037	2177	0	0	0	0	0	0	505037	2177
Holt	11212603	9660	0	0	0	0	0	0	11212603	9660
Howard	4232847	5690	0	0	953856.75	2132.81	0	0	5186703.75	7822.81
Howell	1835959	7612	0	0	0	0	0	0	1835959	7612
Iron	932804	8519	0	0	17600	80	0	0	950404	8599
Jackson	5771256	4310	0	0	0	0	0	0	5771256	4310
Jasper	9374	13	0	0	0	0	0	0	9374	13
Jefferson	2303627	2174	0	0	0	0	0	0	2303627	2174
Johnson	1784695	4454	0	0	0	0	0	0	1784695	4454
Knox	492013	1275	0	0	0	0	0	0	492013	1275
Laclede	123122	1670	0	0	0	0	0	0	123122	1670

Lafayette	1145012	2054	0	0	258824.88	265	0	0	1403836.88	2319
Lawrence	3922074	5045	0	0	0	0	0	0	3922074	5045
Lewis	463796	5199	0	0	882436.2	2200.73	0	0	1346232.2	7399.73
Lincoln	3255921	5410	0	0	1500	0.048	0	0	3257421	5410.048
Linn	2688293	6484	0	0	0	0	0	0	2688293	6484
Livingston	3406666	8048	0	0	0	0	0	0	3406666	8048
McDonald	401171	3160	0	0	0	0	0	0	401171	3160
Macon	1208797	4754	0	0	18590.75	23.9	0	0	1227387.75	4777.9
Madison	1514233	2349	0	0	129953	437.09	0	0	1644186	2786.09
Maries	514786	2383	0	0	0	0	0	0	514786	2383
Marion	650862	1247	0	0	0	0	0	0	650862	1247
Mercer	719605	2230	0	0	22000	35.8	0	0	741605	2265.8
Miller	2150750	5307	0	0	55495.3	110.36	219.3	1.02	2206026	5416.34
Mississippi	7320385	5333	0	0	86425.81	37.37	84286	78	7322525.18	5292.37
Moniteau	2486144	3722	0	0	49744.27	104.59	0	0	2535888.27	3826.59
Monroe	103759	277	0	0	0	0	0	0	103759	277
Montgomery	1188016	3751	0	0	1335	0	0	0	1189351	3751
Morgan	1801498	2271	0	0	0	0	6578.8	0.024	1794919.18	2270.976
New Madrid	5496668	6169	0	0	38869	146	0	0	5535537	6315
Newton	967126	3264	0	0	757529	841	0	0	1724655	4105
Nodaway	2222047	5370	0	0	0	0	0	0	2222047	5370
Oregon	286261	504	0	0	0	0	0	0	286261	504
Osage	1584997	3147	0	0	0	0	0	0	1584997	3147
Ozark	686658	8175	0	0	0	0	0	0	686658	8175
Pemiscot	1476990	2246	0	0	0	0	0	0	1476990	2246
Perry	672041	1728	0	0	0	0	0	0	672041	1728
Pettis	1161615	2223	0	0	0	0	0	0	1161615	2223
Phelps	634913	2965	0	0	43411	120	0	0	678324	3085
Pike	1531308	7111	0	0	0	0	0	0	1531308	7111
Platte	3870032	3780	0	0	551836	66.2	0	0	4421868	3846.2
Polk	25279	1445	0	0	0	0	0	0	25279	1445
::										
Pulaski	328194	464	0	0	0	0	0	0	328194	464
Putnam	2347148	5127	0	0	0	0	0	0	2347148	5127
Ralls	100711	936	0	0	0	0	0	0	100711	936
Randolph	127357	2257	0	0	0	0	0	0	127357	2257
Ray	1868597	2167	0	0	0	0	0	0	1868597	2167
Reynolds	326028	37258	0	0	87656.15	464.2	0	0	413684.15	37722.2
Ripley	1058580	8129	0	0	55544	238.11	0	0	1114124	8367.11
St. Charles	15214303	18596	0	0	0	0	0	0	15214303	18596
St. Clair	1032030	6633	0	0	314608.75	529.75	1800	11.95	1344838.75	7150.8
St. Francois	497789	980	0	0	0	0	0	0	497789	980
Ste. Genevieve	981261	2088	0	0	962.5	0	0	0	982223.5	2088
St. Louis	10003961	7187	0	-3.14	2645055.7	76.92	0	0	12649016.7	7260.78
Saline	8951278	8404	0	0	223862.25	296	0	0	9175140.25	8700
Schuyler	506654	1129	0	0	0	0	0	0	506654	1129
Scotland	1541073	3751	0	0	0	0	0	0	1541073	3751
Scott	1022799	1224	0	0	0	0	0	0	1022799	1224
Shannon	10218898	134759	0	0	507375.26	1565.01	90.6	40	10726182.7	136284
Shelby	383774	2033	0	0	172030.8	151	0	0	555804.8	2184
Stoddard	7272900	10566	0	0	0	0	0	0	7272900	10566
Stone	706980	1143	0	0	799526.5	479.05	0	0	1506506.5	1622.05
Sullivan	3212554	9095	0	0	0	0	0	0	3212554	9095
Taney	2828153	5952	0	0	0	0	0	0	2828153	5952
Texas	458592	1911	0	0	2271591.5	11547.88	0	0	2730183.5	13458.88
Vernon	8897616	17784	0	0	69328.19	120	0	0	8966944.19	17904
Warren	1648210	7820	0	0	0	0	0	0	1648210	7820
Washington	1973113	9659	0	0	386246.5	968.81	0	0	2359359.5	10627.81
Wayne	1559575	19935	0	0	255	0	0	0	1559830	19935
Webster	220299	1744	0	0	0	0	0	0	220299	1744
Worth	1696876	3173	0	0	0	0	0	0	1696876	3173
Wright	797407	1965	0	0	0	0	0	0	797407	1965
Total	\$ 254492500	717894	\$ -5750	-28.14	\$ 15156477	30522.078	\$ 184175	818.474	\$ 269459052	747569.5

The accompanying Notes to the Supplementary Data are an integral part of this statement.

Notes to the Financial Statement
and Supplementary Data

MISSOURI DEPARTMENT OF CONSERVATION
NOTES TO THE FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Notes to the Financial Statements:

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present only selected data for the Conservation Commission Fund of the Missouri Department of Conservation.

Receipts, disbursements, other financing uses, and changes in cash and investments are presented in Exhibit A for the Conservation Commission Fund. Appropriations from this fund are expended by or for the department for restricted purposes.

Appropriations, presented in Exhibit B, are not separate accounting entities. They do not record the assets, liabilities, and equities of the related fund but are used only to account for and control the department's expenditures from amounts appropriated by the General Assembly.

Expenditures presented for each appropriation may not reflect the total cost of the related activity. Other direct and indirect costs provided by the department and other state agencies are not allocated to the applicable fund or program.

B. Basis of Accounting

The Statement of Receipts, Disbursements, Other Financing Uses, and Changes in Cash and Investments, Exhibit A, prepared on the cash basis of accounting, presents amounts when they are received or disbursed.

The Statement of Appropriations and Expenditures, Exhibit B, is presented on the state's legal budgetary basis of accounting which recognizes expenditures on the encumbrance method. Expenditures include amounts payable or encumbered at June 30 and paid during the lapse period, which ends August 31 for regular appropriations and December 31 for capital improvement appropriations. The authority to expend appropriations ends with the close of the lapse period. However, the General Assembly may authorize reappropriation of the unexpended balances of capital improvement appropriations for the following year. The General Assembly also may authorize biennial capital improvement appropriations, for which the unexpended balances at June 30 of the first year of the two-year period are reappropriated for expenditure during the second year.

The cash basis of accounting and the budgetary basis of accounting differ from generally accepted accounting principles, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Fiscal Authority and Responsibility

The department administers transactions in the Conservation Commission Fund. The state treasurer as fund custodian and the Office of Administration provide administrative control over fund resources within the authority prescribed by the General Assembly.

The Conservation Commission Fund: This fund controls the monies collected and expended by the department within the restrictions imposed by the Missouri Constitution, Article IV, Section 43(b). Appropriations are made from this fund by the General Assembly to control, manage, restore, conserve, and regulate birds, fish, game, forestry, and wildlife resources of the state and to administer the related laws.

D. Employee Fringe Benefits

In addition to the social security system, employees are covered by the Missouri State Employees' Retirement System (MOSERS) (a noncontributory plan) and may participate in the state's deferred compensation and cafeteria plans. Employees may also participate in medical benefit and life insurance plans provided for the department by the Continental Assurance Company (CNA). The optional life insurance and cafeteria plans involve only employee contributions or payroll reductions. Also, the deferred compensation plan involves employee payroll deferrals and a monthly state matching contribution for each participating employee.

The state's required contributions for employee fringe benefits are paid from the same funds as the related payrolls. Those contributions are for MOSERS (retirement and long-term disability benefits); social security and medicare taxes; basic life insurance; health care premiums; and the deferred compensation plan match.

Employee fringe benefits in the financial statements at Exhibit A are primarily the transfers and payments from the Conservation Commission Fund for costs related to salaries and insurance paid from that fund. Transfers related to salaries are not appropriated by agency and thus are not presented in the financial statement at Exhibit B.

2. Cash and Investments

The balance of the Conservation Commission Fund is pooled with other state funds and invested by the state treasurer. Interest income is allocated to the Conservation Commission Fund on the basis of the fund's average daily balance.

Trust account monies are combined with regular monies to make up the total balance available in the Conservation Commission Fund. At June 30, 1998 and 1997, trust accounts totaled \$917,332 and \$861,587 respectively, and represented funds restricted for the maintenance and/or purchase of land.

The department maintains a premium stabilization fund with CNA, the department's health insurance provider. Various conditions and restrictions have been placed on the department's access to this fund. Access to this fund by the department could affect the insurance premium rates and/or funded status. The premium stabilization fund is not included in the department's cash and investments balance on Exhibit A because these funds are not available for meeting general obligations of the department.

3. Reconciliation of Total Disbursements to Appropriated Expenditures

Disbursements on Exhibit A reconcile to appropriated expenditures on Exhibit B as follows:

	Conservation Commission Fund	
	Year Ended June 30,	
	1998	1997
DISBURSEMENTS PER EXHIBIT A \$	131,546,951	129,240,811
Employee fringe benefit transfers	(9,918,648)	(9,406,007)
Lapse period expenditures:		
1998	5,653,785	N/A
1997	(20,148,581)	20,148,581
1996	0	(7,514,117)
EXPENDITURES PER EXHIBIT B \$	<u>107,133,507</u>	<u>132,469,268</u>

4. Appropriations Exercised by Other State Agencies

The Missouri General Assembly makes certain appropriations from the Conservation Commission Fund for personal services, expense and equipment, and programs administered by other state agencies. Expenditures charged to these appropriations and transfers from the fund for associated fringe benefits during fiscal years 1998 and 1997 were:

	Year Ended June 30,	
	1998	1997
Office of Administration		
Insurance and legal expense \$	390,965	325,134
Worker's compensation	9,458	0
Unemployment insurance	92,149	91,360
Office of State Auditor	35,022	33,422
Department of Revenue	474,844	404,293
Total	<u>\$ 1,002,438</u>	<u>854,209</u>

5. Year 2000 Plan of Action

To address the Year 2000 (Y2K) issue, Information Management and Technology Section has developed and is currently implementing a plan designed to ensure that the Y2K date change will have no adverse impact on the Department of Conservation's ability to service its customers and conduct business. The department is on target to complete this project and will conduct extensive testing in 1998 and throughout 1999. It is the intent that the week of January 4, 2000 through January 8, 2000, will be "Business As Usual" for the Department of Conservation.

The department is taking a phased approach to implementing the Y2K plan. The phases are as follows:

Phase I (Inventory Phase) - Identifies all components of computer hardware, software and interfaces used by the department. Most of this work is already completed.

Phase II (Assessment Phase) - Establishes whether Y2K issues apply for each component and, if so, a plan of action is developed and a priority is assigned that ensures compliancy will be achieved in the required time frame. Much of the assessment work has been completed. A major component still not fully addressed is application software. Now that programming vacancies are being filled and staffing is being supplemented, the department hopes to address the application software issue and complete the assessment phase early in 1999.

Phase III (Remediation Phase) - Ensures appropriate actions are taken to achieve Y2K compliancy. In most cases, components will be modified, upgraded or reprogrammed. In other cases, especially where components are mission critical,

some components may have to be replaced to guarantee compliancy. Some of this work has already been completed.

Phase IV (Test Phase) - Tests all components and, where appropriate, takes final corrective actions to ensure compliancy. Although the department is doing individual component testing, the department is planning to conduct an overall systems test over the three-day Truman holiday weekend (May 7 through May 9, 1999). At that time, the clocks will be rolled forward to the year 2000 on all major infrastructure components in the Central Office and these components will be tested for Y2K compliancy.

Notes to the Supplementary Data:

6. General Fixed Assets

- A. The investment in general fixed assets at June 30, 1998 and 1997 was from the following funds:

	June 30,	
	1998	1997
Conservation Commission Fund	\$ 410,555,728	\$ 381,471,787
General Revenue Fund-State	62,884	79,048
Revenue Sharing Trust Fund	865,669	872,633
Total	\$ <u>411,484,281</u>	\$ <u>382,423,468</u>

- B. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. Also not capitalized are certain improvements including hatchery pools, wetland development, and other expenditures to prepare land purchased for its intended use.

7. Statements of Changes in Land by County

Corrections on the Statement of Changes in Land by County, Schedules 3-A and 3-B, included the following:

- A. Correction of beginning balances for land purchased or sold in prior years but not recorded until the current year.
- B. Increases in land values due to buildings which were acquired on the land being recorded in the current fiscal year, while the land was recorded in prior years.

- C. Decreases in land values due to buildings which were acquired on the land being recorded in the current fiscal year, while the land was recorded in prior years.

The department's policy is to reduce the cost of land by the appraised value of the buildings acquired on the land. The building's appraised value is added to the building inventory. Because the department purchases land for the land only, the value of acquired buildings disposed of is added back to the land value, thus requiring the types of correcting entries in B and C above.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Current Recommendations

MISSOURI DEPARTMENT OF CONSERVATION
SUMMARY OF FINDINGS

1. Plane Usage (pages 28-30)

The names of all passengers and the specific purpose of the flight are not included in the flight logs. Travel cost comparisons are not always documented.

2. Clothing Allowance Reimbursement (pages 30-31)

Clothing allowance is provided to employees who are not required to purchase signature clothing or wear the clothing at designated events.

3. Suspension and Debarment Compliance (pages 31-32)

The department does not require contractors to certify that they have not been suspended or debarred.

MISSOURI DEPARTMENT OF CONSERVATION
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S CURRENT RECOMMENDATIONS

We have audited the special-purpose financial statements of the Missouri Department of Conservation as of and for the years ended June 30, 1998 and 1997, and have issued our report thereon dated November 5, 1998. That report expressed a qualified opinion on the special-purpose financial statements.

The following Management Advisory Report presents our finding and recommendation arising from our audit of the department's special-purpose financial statements. During our audit, we also identified certain management practices which we believe could be improved. Our audit was not designed or intended to be a detailed study of every system, procedure, and transaction. Accordingly, the findings presented in the following Management Advisory Report should not be considered as all-inclusive of areas where improvements may be needed.

1.	Plane Usage
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The department maintains a fleet of three planes and one helicopter which is used to transport department employees for various reasons, such as fire protection, research, transporting fish and game, or aerial photography. According to the department, approximately \$500,000 is spent annually to operate its aviation program. According to department records, the cost of operating the various planes ranges from \$200 to \$252 per hour and the cost of operating the helicopter is \$351 per hour. The department's flight logs indicate the pilot, a general purpose category, total flying time, the name of a passenger or observer, and miscellaneous remarks such as route taken, however other pertinent information needs to be documented. Our review of the flight logs revealed the following concerns:

- A. As noted in our last four reports, the flight logs do not list the names of all passengers. If there are two passengers, a notation of one passenger's name will be included on the log, but the additional passenger will be noted as +1. If there are more than two passengers, they will be noted as +2, +3, etc. As a result, the department cannot be assured all passengers on the plane are either department personnel or approved non-department personnel. In addition, the specific purpose of the flight is not documented. The flight logs include very general descriptions of the purpose of the flight. The descriptions used include transportation, enforcement, fire protection, research management, transportation of wildlife, photography, and other. To provide proper accountability to the taxpayers that the planes are only used for official state business, the names of all passengers should be documented.

Pilots complete a flight manifest for each flight which lists each passenger; however this report is destroyed after the flight is completed. The department indicated that maintaining documentation of the names of all passengers is not necessary and that

the current procedures are adequate since it has several internal levels of review to ensure the planes and helicopter are used only for official purposes. However, without adequate documentation of all passengers' names on the flight logs and the specific purpose of the flight, it is impossible for an independent reviewer or the department to ensure compliance with the current policies.

- B. The department's procedures require employees to compare the cost of commercial flights to the cost of using department planes. Department employees have indicated that this comparison is now documented and maintained for most out of state flights. However, during our review, we noted several flights to out of state destinations for which documentation of the cost comparisons could not be located. Without maintaining documentation comparing the cost of commercial flights to the cost of using the department's planes, the department cannot ensure its policy is being followed.
- C. The department periodically charts flights rather than using department planes. During our review, we noted that during August 1996, two department Commissioners flew a charter flight from St. Joseph, Missouri to Boise, Idaho at an approximate cost to the department of \$9,600. Cost comparisons for this flight were not documented. While the commercial rate of this flight in 1996 was not available, the Office of Administration Flight Operations indicated its rate would have cost approximately \$5,500.

Failure to obtain cost comparisons for charter flights may result in the department paying more than necessary.

WE RECOMMEND the department:

- A. Document the names of all passengers and the specific purpose of all flights.
- B. Document the comparison of the cost of commercial flights to the cost of using department planes when commercial flights are available and retain this with the flight information.
- C. Obtain and document cost comparisons of charter flights to the cost of using department planes or commercial flights to ensure the most economical use of state resources.

AUDITEE'S RESPONSE

- A. *The Conservation Commission has instructed the staff to initiate a comprehensive review of all existing rules, regulations and policies related to Department aircraft usage. As part of this review process, the Department will retain the flight manifests, as your audit suggested. Additionally, we agree that the specific purpose of a flight should be more detailed and will initiate that change immediately. It is anticipated that this added information will assist staff*

conducting the review in determining whether permanent changes in Department policies may be warranted.

- B. Department procedures require comparisons between the cost of commercial flights and the cost of using Department planes. However, for some out-of-state flights, approvals were issued without a written cost comparison because the results were intuitive. It is extremely rare when four or more passengers can fly more cost effectively commercially than by Department plane.*

In the future, Administrative Services will maintain cost comparison documentation on all out-of-state flights which utilize Department planes. Justification necessary for special arrangements will be documented.

- C. The charter flight, which occurred in August 1996, resulted from a unique set of circumstances regarding the consideration of a candidate for the Director's position. Due to the many interested candidates within the Department, it was necessary to maintain absolute confidentiality regarding the trip. There were also many viable candidates located out-of-state, who were requiring a hiring decision within a limited time frame; therefore, time was of the essence. This flight should be viewed as a unique circumstance. This was the first time since the first Department Director was appointed in 1938 that a Director has been recruited from outside the Department. In the future, in compliance with an out-of-state air travel policy adopted by the Commission at its March meeting, the Department will perform cost comparisons for all charter flights and consider cost as one factor in making charter decisions, which are subject to the Director's approval.*

2. Clothing Allowance Reimbursement
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Some department employees are required to wear a uniform, including newly designed signature clothing. These employees are given an annual clothing allowance of \$300 to \$400 (depending on job function) to purchase their uniforms. During the year ended June 30, 1998, the department provided a \$100 allowance for signature clothing on a reimbursement basis to employees who were not required to wear uniforms. To reduce the paperwork involved in tracking the reimbursements, beginning in fiscal year 1999, the department is providing a payment of \$100 to each of these employees. There is no requirement that the employees purchase signature clothing or wear the clothing at designated events. These \$100 payments totaled \$39,200 for the period July 1, 1998 through November 30, 1998.

We surveyed two other state agencies which indicated they do not provide clothing allowances for employees who are not required to wear uniforms. One department has a catalog that provides employees the opportunity to purchase signature clothing and other items with the department logo; however, no reimbursement is provided by the department to employees not required to wear a uniform. Another agency periodically provides its employees the opportunity to purchase signature items; however, the agency does not reimburse the employees for the cost of the clothing.

Clothing reimbursements that are not for required uniforms do not appear to be a prudent and necessary expenditure of the department funds.

WE RECOMMEND the department evaluate the necessity and benefits of providing clothing allowances for employees who are not required to wear a uniform.

AUDITEE'S RESPONSE

The Department has determined that the signature clothing allowance is extremely important to the management of the Department. Such clothing readily identifies employees attending public functions or in their daily contact with the public at work. The Commission strongly believes this has been an important, positive management tool over the last two years in building Department teamwork and pride. The salaried employees receiving the partial clothing allowance are well aware that the allowance is to be spent only on signature clothing. The actual use of the allowance for signature clothing purchases is closely monitored by the supervisors of those salaried employees.

AUDITOR'S COMMENT

The department's response implies that signature clothing was purchased with the clothing allowance. However, there was no requirement that employees purchase signature clothing. In addition, the employees were not required to provide documentation to support how the clothing allowance was used. If the department believes it is necessary and beneficial to provide signature clothing that employees may wear only occasionally, the employees should be required to purchase signature clothing with the clothing allowance, wear the clothing at designated events, and provide documentation to support such purchases.

3. Suspension and Debarment Compliance

The DOC has entered into contractual agreements with several contractors to build a new hatchery as well as various boating access projects. The DOC does not require contractors to certify that they have not been suspended or debarred.

43 CFR 12.75 requires that DOC must not make any award to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance. This requirement applies to all contractors receiving individual awards of \$100,000 or more and all subrecipients. Controls must be established to obtain suspension and debarment certifications from parties to ensure compliance with the federal guidelines.

WE RECOMMEND the DOC obtain certifications from parties awarded contracts of \$100,000 or more that the organization and its principals are not suspended or debarred.

AUDITEE'S RESPONSE

We agree with the auditor's finding. Our Corrective Action Plan includes our planned actions to address this finding. The only procurement contracts in excess of \$100,000 let by the Department of Conservation which qualify for federal assistance are capital improvement construction projects. Our construction contracts will be modified to include a clause under which the contractor will certify that its organization and its principals are not suspended or debarred.

This report is intended for the information of the management of the Missouri Department of Conservation and other applicable government officials. However, this report is a matter of public record and its distribution is not limited.

Follow-Up on State Auditor's Prior Recommendations

MISSOURI DEPARTMENT OF CONSERVATION
FOLLOW-UP ON STATE AUDITOR'S PRIOR RECOMMENDATIONS

This section reports follow-up action taken by the Missouri Department of Conservation on recommendations made in the Management Advisory Report (MAR) of our report issued for the two years ended June 30, 1996. The prior recommendations which have not been implemented, but are considered significant, have been repeated in the current MAR. Although the remaining unimplemented recommendations have not been repeated, the department should consider implementing these recommendations.

1. Protection Division Violation Tickets

The Protection Division did not account for the numerical sequence and disposition of resource and wildlife violation tickets assigned to conservation agents.

Recommendation:

The department account for the numerical sequence of all tickets assigned to conservation agents.

Status:

Partially implemented. Effective March 1, 1997, the department implemented a policy requiring completed citation books be submitted to regional supervisors. Agents are also required to provide brief explanations for all tickets not filed in court. However, the policy does not require regional supervisors to account for all tickets or verify the disposition of the tickets assigned to agents. Although not repeated in the current MAR, our recommendation remains as stated above.

2. Plane Usage

A. The department's flight logs did not list the names of all passengers. In addition, the specific purpose of the flight was not documented.

B. Although the department's policy required employees to compare the cost of commercial flights to the cost of using department planes, the department did not require the comparison to be documented or retained with flight information.

Recommendation:

The department:

A. Document the names of all passengers and specific purpose of all flights.

- B. Document the comparison of the cost of commercial flights to the cost of using department planes when commercial flights are available and retain this with the flight information. Furthermore, justification for special arrangements should also be adequately documented.

Status:

- A. Not implemented. See MAR No. 1.
- B. Partially implemented. During fiscal year 1998, the DOC implemented a procedure to document and maintain cost comparisons, however instances were noted in which this information could not be located. See MAR No. 1.

STATISTICAL SECTION

History, Organization, and
Statistical Information

MISSOURI DEPARTMENT OF CONSERVATION HISTORY, ORGANIZATION, AND STATISTICAL INFORMATION

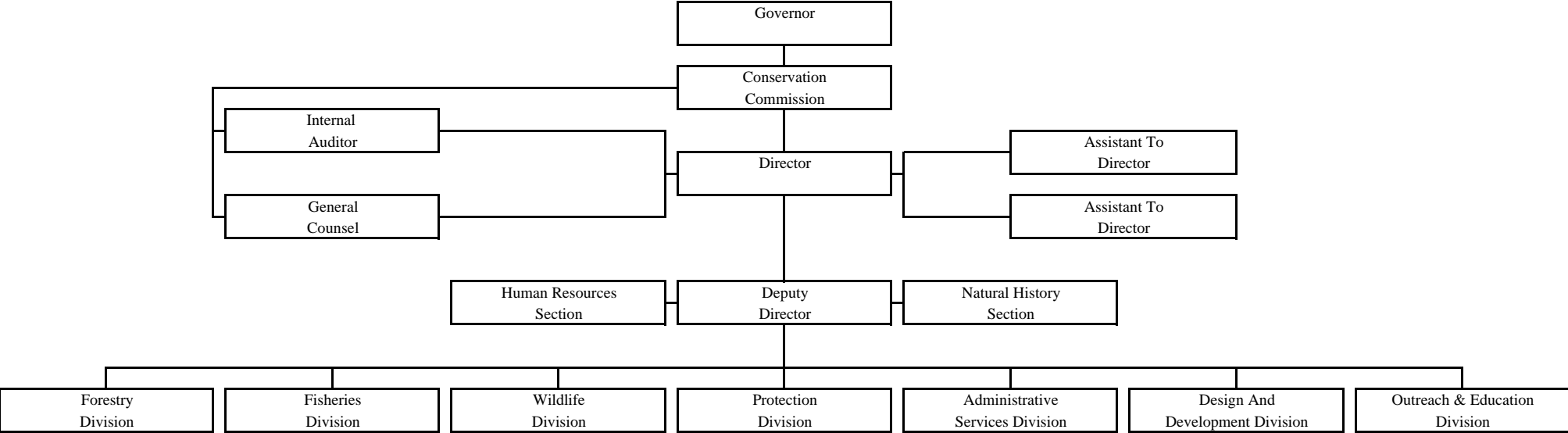
The Missouri Department of Conservation is constitutionally created pursuant to Article IV, Sections 40 and 46. The general functions of the department are to control, manage, restore, conserve, and regulate all bird, fish, game, forestry, and wildlife resources of the state. To accomplish this responsibility, the department has adopted a "Five Year Strategic Plan." This plan covers the five year period FY 1996-2000. Rather than focusing on the acquisition of new lands, as in the past, the development and delivery of programs and services to enhance private land management by landowners is a priority program emphasis during the current five year plan. At June 30, 1998, the department owned 761,863 acres of land in the state.

The department is headed by a four-member bipartisan commission, appointed by the Governor with the advice and consent of the Senate. They serve without compensation for staggered six-year terms. The Commission appoints the Director who in turn approves the employment of other employees and is the chief administrator of the department. The commission members at June 30, 1998 were:

<u>Commissioner</u>	<u>Term Expires</u>
Anita B. Gorman	June 30, 1999
Randy Herzog	July 1, 2001
Ronald J. Stites	July 1, 2001
Howard L. Wood	July 1, 2003

Jerry Conley was appointed Director effective January 1, 1997. Jerry Presley served as Director from January 1988 to December 31, 1996. The department employs approximately 1,470 full-time and 310 part-time employees.

MISSOURI DEPARTMENT OF CONSERVATION
ORGANIZATION CHART
JUNE 30, 1998



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